
FEDERAL ENERGY REGULATORY COMMISSION

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NEWS RELEASE

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FERC CHAIRMAN EXPRESSES CONFIDENCE IN INDUSTRY WORK ON Y2K READINESS

Chairman James J. Hoecker of the Federal Energy Regulatory Commission said today that the oil and natural gas industries are working responsibly to reach Year 2000 (Y2K) readiness.

Because of the importance of this effort, Chairman Hoecker said he is assuming the Chairmanship of the Oil and Gas Working Group of the President's Council on Year 2000 Conversion. Katie Hirning, the Commission's former Chief Information Officer, guided this effort until recently.

He commented: "I am pleased to assume the lead of this effort, a vitally important public/private partnership aimed at Y2K readiness for the oil and gas industry. I applaud the work of the Natural Gas Council (NGC) and the American Petroleum Institute (API) as the umbrella organizations that have led the effort to survey all elements of this industry on behalf of the President's Council. I feel confident that our collective efforts will ensure reliable service as the year turns, but there is still hard work to be done."

At today's conference, the working group presented, on behalf of the industries, a survey showing that the industries have made substantial progress in identifying and correcting Y2K issues.

The survey was sponsored by the oil and gas working group. The survey results showed a marked improvement over those presented in an earlier survey last fall.

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The survey respondents included 1,000 companies from all sectors of the natural gas and oil industries, whose customers account for 88 percent of the consumption of those fuels in this country.

More than 82 percent of companies surveyed are in the final stages of fixing and testing their systems. Some 65 percent were in the final stages of fixing and testing hardware and embedded systems (13 percent said the problem did not apply to them). And 97 percent expect to have contingency plans in place and tested by the third quarter of 1999.

Discussing the remaining challenges, Chairman Hoecker said, "We cannot afford to engage in happy talk. The American public want the facts. There is still some serious work awaiting many small and independent entities in the natural gas and petroleum industries at the production and retail distribution ends of the system."

He was nevertheless confident, he said, that this would occur.

The oil and gas group, of which the National Association of Regulatory Utility Commissioners is a member, will work to reach these businesses.

The Commission is working with other federal agencies as a member of the President's Council. The Council designated the Commission as the leader of the oil and natural gas sector readiness effort, while the Department of Energy was designated leader of the electric sector effort.